IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

1   IN RE: The application of Scott Weller

2   TITLE OF THE INVENTION

3   Internet Sales Tracking System For Reimbursing Display Store Costs

4   CROSS REFERENCE TO RELATED APPLICATIONS

5   Not Applicable

6   STATEMENT REGARDING FEDERALLY SPONSORED RESEARCH AND

7   DEVELOPMENT

8   Not Applicable

9   BACKGROUND OF THE INVENTION

10   1. Field of the invention

11   This invention relates to Internet sales systems and particularly Internet sales

12   system that provide reimbursement to established retail locations for demonstrating

13   products.

14   2. Description of related art

15   For many years, products have been sold to consumers using a network of

16   distributors and retailers. Manufactures sell large volumes of product to the

17   distributors who then resell that product to retail outlets, who in turn sell the products

18   to end consumers. This chain can be broken by manufactures selling directly to

19   consumers, or by distributors bypassing retail stores. The problem with this is that it

20   tends to undermine the strength of the retail store. Customers begin to use the retail

21   store as a showroom. They inspect the goods, test the equipment, evaluate alternatives,

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1 and then buy from the direct source; the direct source usually having a much lower

2 price than the retail store.

3 The advent of the Internet has exacerbated this problem by creating an efficient

4 business model that allows consumers to purchase directly from the manufacturer or

5 other retailers online. Less handling and wholesaler mark-up, provide efficient price

6 purchasing opportunities. Because of this, many retail businesses are missing sales to

7 direct online purchases.

8 Another variation of this problem is the example of higher volume retailers that

9 steal sales from other franchisees within the same company. For example, Ford motor

10 company (Ford) has many franchises that are have better pricing than other Ford

11 franchises because of the volume pricing. Currently, a well-informed consumer could

12 go to the local dealership and test drive vehicles to learn the model of choice. Knowing

13 the dealership is a small volume dealer; the consumer enters the Ford Internet site and

14 bids the model of choice at 15 dealerships. The high volume dealerships within larger

15 cities are substantially lower in price than the dealership that the consumer test-drove

16 the vehicle. The consumer than buys the vehicle from the lowest price dealer.

17 Consequently, not only does the smaller dealer lose the sale because of access to the

18 Internet; the viewing dealership also spends resources in showing the product. The

19 future of the smaller franchise dealerships is in jeopardy once the consumer realizes the

20 power of the Internet bidding process.

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1   Another example of the Internet disrupting the "brick and mortar" retailers is the

2   clothing industry. For example, consumers shop for wedding dresses at typical retail

3   outlets. Once the dress of choice is discovered, the consumer copies the tag

4   information. The consumer then shops online for the same dress which they find at a

5   reduced price, since the online retailer does not have the same overhead and cost of

6   goods burden. To combat this practice, traditional brick and mortar stores now are

7   tearing off the wedding dress labels in hopes to dissuade the consumer from this

8   practice.

9   Because of this growing trend, brick and mortar companies are rushing to build online

10 alliances and direct selling methods. Their current business models may not offer the

11 best pricing on certain materials. These stores seek to ship products directly to the

12 consumer from the retailers' distribution centers. An example of this is Office Max,

13 where a consumer can either buy the product at the their stores or on the Office Max

14 web site. This business model still carries major inventory at the traditional stores and

15 distribution centers to cater to the consumer demand.

16 Another example of a new service is one provided by Gateway Computers. Gateway

17 has viewing stores for their own computer systems. The company owns the stores.

18 Store sales are not important. The codes they use for their products are based on

19 national product codes. A consumer can walk into their store, review a product, and

20 place an order over the Internet. However, the store sales are not tracked and the sales

21 representatives have no means to be compensated on commissions. The Gateway

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1   selling solution does not call for the transfer of money back to the original stores or sales

2   representatives. All of their stores are corporately owned so franchisee profitability is

3   not an issue.

4   BRIEF SUMMARY OF THE INVENTION

5   This invention is a system that creates viewing stores that allow a consumer to

6   view items and then purchase the product online at one price plus delivery. The brick

7   and mortar stores can sell staples for immediate consumption and provide samples of

8   other higher price items for consumer viewing. This system eliminates large

9   inventories in the stores that hurt cash flow and profitability. Distribution costs to the

10   stores are eliminated. Manufacturers provide free samples of there products to be

11   viewed. The consumer benefits from a bigger viewing section because the store

12   merchandising space can be reduced only to view products. Retailers may also request

13   consumer viewing space be rented from the manufacturer. Manufacturers ship product

14   directly to the consumers. Consumers are able to purchase the product online for one

15   price including taxes and delivery. Consumer dollars are distributed through the

16   Internet systems instead of the store. The cash then routes back to the to the parties that

17   assisted with the sale.

18   The manufacture tracking system comprises a software based system accessed

19   over the internet that makes use of consumer direct ordering capabilities, and a code

20   generations ability that tracks the product, the store and the representative that assisted

21   with the consumer's online purchase.

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2   The new proposed business model allows the manufacturer or online retail

3   operation the ability to control consumer purchasing information while providing

4   tracking and dollar distributions to the proper store and representative involved with

5   consumer online product purchase.

6   For example, in order for the Ford Motor Company to prevent consumers from

7   viewing cars at smaller dealerships and purchasing the same car from high volume

8   dealerships, Ford implements the system as follows: each dealership receives a code

9   that determines the store location and each representative receives a code that identifies

10   their work performance. All cars with each option combination are assigned a code that

11   can be identified by the main database in which the consumer places the automobile

12   order. All cars under this system are placed under one price plus delivery, options, and

13   tax. After a consumer views a car at a dealership, the consumer is provided by the Ford

14   Dealership with a code that identifies the dealership, car and the representative (if

15   necessary) that influenced the sale. When the consumer places an order on the Ford

16   internet site, the code is programmed to fulfill the consumer order, while transferring

17   predetermined payment dollars to the dealership as a viewing fee, transferring the

18   predetermined commissions to the sales representative, and transferring the

19   predetermined dollars to the manufacturer.

20   Another embodiment this invention is a system that can be used with other

21   retailers that are not affiliated with the manufacturer. In this embodiment, each retailer

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1   is given a store code, and representative codes for their sales force that are programmed

2   for different earning potential for each product code that is attached. The consumer

3   samples the product and decides to purchase. The consumer is directed to an ordering

4   web site and given a product code with an attached store/representative code to signify

5   the store and the sales representative that assisted with the sale. After the consumer

6   purchases the product with the code he/she received, the consumer secured payment is

7   distributed to in the amount of the product viewing fee for the identified store, the

8   preprogrammed commissions for the identified representative, the Internet retailer

9   commissions, the shipping company and the manufacturer. In this way, the present

10   invention provides a method for tracking and distributing information/payments from

11   a consumers purchase over the internet of the product purchased, to the store where the

12   product was viewed, and to a sales representative that may have assisted with the sales.

13   In another embodiment, the payment can also be transferred and split to the

14   online retailer, manufacturer, and other parties. After the consumer visits a store, a

15   code is generated or provided. The code details are stored within the Internet site

16   database from which the consumer purchases the viewed product. The code can

17   include the particular store profile, the product details and, if necessary, the sales

18   representative information. This code is stored on the Internet site within a database.

19   When the consumer purchases a product, the code, under the specific terms and

20   conditions, determines the product price for the consumer. The terms of sale can be

21   edited for the different retailers and sales representatives identified within the product

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1   code. For example, a high volume retail outlet may have a less expensive quoted

2   consumer price. After the consumer entered the code on the internet site and

3   purchased the product, the present invention collects money from consumer and

4   distributes it to the online store, the viewing store (if necessary), the manufacturer, and

5   the representative (if necessary), and other defined business revenue payment

6   structures. Consumers can also provide financial institution information to provide

7   payment to the sale parties.

8   Another embodiment of the present invention allows an online store to capture

9   and take advantage of the tracking process. An Internet retailer has viewing stores to

10   show items like clothes that are otherwise difficult to sell online. After the consumer

11   views the product, a code is generated for the consumer to use when purchasing a

12   product online. While in the store, a code is generated by the sales representative that

13   identifies him/her and the store. After the consumer pays the Internet retailer with the

14   code, the Internet retailer could send the viewing fee directly to the appropriate store

15   and sales representative.

16   BRIEF DESCRIPTION OF THE DRAWINGS

17   FIG. 1 is a schematic diagram of the information flow of the product-store -

18   representative-consumer tracking and consumer transfer of payments made in the

19   preferred embodiment of the invention.

20   FIG. 2 is a schematic view of the components of the master code

21   FIG. 3 is a schematic view of the configuration of the core handler.

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1   FIG 4 is a flowchart of the consumer's quoted product price module.

2   FIG. 5 is a flowchart of the product fulfillment module.

3   FIG. 5b depicts the allocation of dollars to the respected parties

4   FIG. 6 is a schematic of a user reviewing an account status.

5   FIG. 7a is the first part of a flowchart showing the payment distribution process.

6   Figure 7b is the second part of a flowchart showing the payment distribution

7   process.

8   FIG. 8 is a schematic showing the payment alterations module.

9   FIG. 9 is a schematic of the consumer payment process.

10   FIG. 10 is a detail view of the consumer interface module.

11   **DETAILED DESCRIPTION OF THE INVENTION**

12   The system uses standard components such as conventional computers,

13   telecommunications services, and output/input devises like computer terminals,

14   printers, and facsimile machines. Fig. 1 is a block diagram of the product tracking and

15   payment distribution system **100**. The current system **100** includes a consumer location

16   **102**, telephone switch connection network, like MCI or ATT, **103**, and a core handler

17   **200**. The core handler **200** is a modern server computer system that is active for

18   database response. The core handler's function is to execute software, to store and

19   manage information, and to handle transaction and consumer requests. The consumer

20   location **102** includes a user-input device **120**, which in the preferred embodiment is a

21   computer with a modem. Consumer **102** also includes an output device **125** that can be

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1   a typical printer or terminal screen. There are many possible input and output devises

2   that can be used. These include items such as a telephone, a personal data assistant, a

3   web site and e-mail. The consumer location visits store **610** and retrieves the master

4   code **300**. The consumer location **102** places product order through the network **103**

5   using the core handler **200**. Confirmation and shipping details **299** are communicated

6   back to consumer **102**.

7   FIG. 2 represents the product tracking and payment distribution business model

8   master code **300** fields. This code includes the specific product or manufacturer code

9   **301**. An additional elements code **304** of the master code includes the store location

10 code **302**, and a sales representative code **303** for a given online purchase. The

11 additional elements of the master code can be generated by the stores 610 internal

12 computer systems or generated by the manufactures or online retailer's headquarters

13 and presented to the consumer in paper form. In either case, the additional elements

14 code **304** is generated. Thus, the code **304** must have representation within the core

15 handler's databases **200**. For example, a representative **600** can give or add the

16 representative code **303** to the master code **300** to ensure the information of his/her

17 efforts is included within the consumer's **102** online purchase.

18   FIG. 3 is a block diagram of the elements of the core handler **200**, which is

19 connected to a conventional network interface device **222** for access to the public

20 telephone network **103**. The core handler **200** has a CPU **202**, RAM **203**, ROM **204**, a

21 payment processor **210**, a clock **211**, and a storage device **205**. These components are all

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1   common to the art. The storage device **205** must have a request processor **206** and

2   multiple databases **220, 225, 230, 240, 250, 260**. The request processor **206** is a software

3   program that requests the consumer's **102** master code **300** information. The rapid

4   response storage device **205** contains the master code databases**220**, the pricing database

5   **225**, the consumer database **230**, the store database **240**, the sales database **250**, and the

6   manufacturer database **260**.

7   In fig. 4, the consumer enters the system through the consumer interface **222** at

8   step **701**. A consumer **102** then transmits a product order using input **120** and the

9   master code **300**, step **702**. The code inquiry then initiates a process to determine the

10   product code **301**, which displays the product information **309** at step **706** and identifies

11   the additional elements codes, store code **302**, and sales representative code **303** at step

12   **704**. The pricing database 225 determines the shipping cost and tax fees 707. One

13   embodiment of the invention allows the store code to increase the price quoted to the

14   consumer at step **705** if the store code **302** is embedded within the master code **300**. The

15   sales code **302** can also affect the consumer quoted price.

16   Once the order has been entered, the product cost and product terms are

17   communicated to the consumer **102** at step **708**. The consumer can then accept or deny

18   the terms of the product at step **709**. The master code **300** can contain preprogrammed

19   product information, sales representative commissions and other information, and the

20   store fees information. However, the code must contain the product or manufacturer

21   code **301** information.

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1   Next, as shown in fig. 5, the core handler **200** receives the consumers purchase

2   request (over the switched telephone network **103**, for example). The core handler **200**

3   takes the purchase request 59 and determines through the database the appropriate

4   product, consumer payment **60**, commissions **61** to the sales representatives **610**, and

5   store-viewing fees owed. Figure 5a shows how the core handler **200** sends the

6   consumer's **102** order to a fulfillment location or manufacturer **620** via an output device.

7   The manufacturer or fulfillment location **620** sends the product to the consumer **102** by

8   standard shipping means. Figure 5b shows the transfer of money to the parties that are

9   identified within the master code. In this case, the master code reveals all parties to be

10   paid within the Account status database **233**, which includes, the store database **240**, the

11   sales representative database **250**, the manufacturer database **270**. Other parties are

12   paid from their respected negotiated earnings for the particular product that was

13   ordered. The information and dollars distributed can be either outputted to the

14   participants bank accounts with identity authorization or transferred within the

15   respected Account status databases **233**. The account status database **233** provides the

16   respected parties with proper identifications, a secure account status, billing and

17   payment authorization. The account status database **233** is accessed by a specific

18   participant using proper identification.

19   Figure 6 has following fields for the Account Status databases **233** that includes

20   **250, 240, 270, 231**: a) master code purchased; b) product details (timing)(commissions);

21   c) payment distribution; d) account reviews; and miscellaneous information.

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1   Each respected database can be customized for information to be viewed. The

2   mentioned fields are just a representation of the information captured within the

3   account status databases. Other field structures can be used. For example, the

4   databases can include a competitive information source **267** that consolidates all

5   purchases within a category. Using this source, manufacturers can review their market

6   share information verses their competition's.

7   Figures 7a and 7b are flow charts of the procedure used by the core handler **200**

8   in executing the software of the request processor **206** to process and identify a

9   consumer by the master code **300** and then accepting a product order and payment.

10   The consumer enters the core handler **200** and must provide proper identification **800**.

11   If the consumer is a new customer, the system transfers the new customer to step **801** to

12   qualify the customer. If the consumer **102** is not new and has given the proper

13   identification number, the consumer enters the master code **300** within the database at

14   step **802**. The details of the product are provided to the consumer at step **803**. The

15   consumer then makes the purchase at step **804**. The consumer profile provides all

16   variables required to determine the pricing information from the pricing database. The

17   core handler **200** then takes the master code embedded and determines the other parties

18   involvement within the consumer purchase (if any). The master code along with the

19   additional element codes **304** determines the appropriate store and representative if

20   applicable at step **805**. Step **806** is used when a store's information is embedded within

21   the master code **300**. If the store is included with the consumer purchase, the store

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1   earns the preprogrammed viewing fee at step **807**. The payment is updated within the

2   store account status database **240** at step **808**. If the master code contains a sales

3   representative code **303**, the commissions information is determined at step **810** and

4   updated within **250** at step **811**. Because the manufacturer is identified in the master

5   code, the payment information can be transferred to the account 270 at step **812**.

6   The code database **220** contains the product details that correspond to each

7   product or manufacture code. The additional elements code **304**, store code **302** and

8   representative code **303**, are also included within this database. These databases are

9   accessed by password by the authorized respected parties to program product details,

10   store commissions, and representative fees.

11   The core handler **200** also has the ability to program the master code terms.

12   Figure 8 details the programming of each product code. Step **75** shows the

13   manufacturer gives the proper identification to enter the product code database **220**.

14   Step **76** verifies that proper entry is made. Once accepted within the database, the

15   manufacture can preprogram the price associated with each product in terms of

16   location, taxes, and other variables at step **77**. The manufacture can also determine via

17   the store code **302**, product pricing and store viewing fees in step **78** that are linked to

18   that code. The manufacturer can also adjust product pricing via the sales code **303** and

19   set selling commissions in step **79**.

20   The manufacturer database **270** contains the fulfillment requirements of the

21   fulfillment manufacturer or selling agent. The fields required within this database are:

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1   a) the product code **301**; b) shipping location requirements inserted by the consumer; c)

2   consumer information; d) the store fee; e) the representatives commissions; f) the

3   competitive setting **267**; g) the product distribution history; and h) accounts receivable.

4   Other captured information can be programmed within this database to capture sales

5   information if desired.

6   Finally, the consumer information database **231** includes: a) the customer

7   identification number **10**; b) the customer name; c) customer address, telephone number

8   and facsimile number; d) the customer's credit card number; e) the preferred delivery

9   method and time; f) financing terms; and g) the account balance. Each purchase is

10   recorded within a specific customer's account status database. The consumer identifier

11   number **10** is a unique identifier to ensure ability to securely purchase a product on the

12   proposed invention.

13   The Core handler **200** must ensure the product purchased by the consumer is

14   fulfilled and shipped, and the respected parties receive their payments. The core

15   handler first receives input from the consumer **102** with the master code **300**

16   information. The code's source generates the pricing parameter database to provide

17   exact details to the consumer **102**. The consumer places the order and the billing

18   process occurs within database. After payment is made, the code database **220**

19   identifies the code for potential tracking and consumer influence with these parties.

20   The code prompts input from programmed formulas, the store viewing fee, and sales

21   representative commission, from the code that was placed by the consumer **102**. The

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1   payments are distributed according to the preprogrammed payment product

2   parameters to the shareholders within the account status databases **233**. The dollar

3   transfers can be automatically distributed to the respected parties' accounts. The

4   product and consumer details are sent to the fulfillment database **270**, or directly to the

5   manufacturer.

6   Figure 9 show a conventional way to process a credit card payment using the

7   system. Using the identification number, the core handler **200** checks the credit in the

8   consumer database in step **1**. The core handler 200 then outputs the credit card number

9   to the appropriate credit card processing center in step **2**. The consumer database

10   account is updated in step **3**. When authorization is received, the appropriate parties

11   involved in the sale are compensated in step **4**. Other billing methods may be used as

12   well, without hampering the scope of the present invention.

13   Figure 10 shows details of the typical consumer interface **222**. The consumer

14   must enter an identification code to be prompted to enter the master product code **300**.

15   After the consumer enters the code, the consumer is quoted the price. At this point, the

16   consumer has the ability to place the order. Billing is automatic. The interface also

17   allows consumers to access their account.

18   The present invention allows manufactures the ability to track their sales directly

19   to the consumer. Dollars are not exchanged until the consumer purchases a product. A

20   code is provided to the consumer that determines the product purchased, the store that

21   the consumer viewed the product and the respected sales representative involved with

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1   the sale. Once the consumer accepts the price and purchases the product, dollars are

2   exchanged from the consumer to the online retailer, viewing store, sales representative,

3   and the fulfilling manufacturer. Every party involved has the ability to track past sales

4   and review their account status.

5   The present disclosure should not be construed in any limited sense other than

6   that limited by the scope of the claims having regard to the teachings herein and the

7   prior art being apparent with the preferred form of the invention disclosed herein and

8   which reveals details of structure of a preferred form necessary for a better

9   understanding of the invention and may be subject to change by skilled persons within

10   the scope of the invention without departing from the concept thereof.

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